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99TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPT. 99-525
Part 2

H.R. 1116

TO IMPLEMENT CERTAIN RECOMMENDATIONS MADE PURSUANT TO PUBLIC LAW 98-360

APRIL 22, 1986.—Ordered to be printed

Mr. UDALL, from the Committee on Interior and Insular Affairs, submitted the following

SUPPLEMENTAL REPORT

[To accompany H.R. 1116]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 1116) to implement certain recommendations made pursuant to Public Law 98-360.

The following is the complete analysis of the Congressional Budget Office submitted to the Committee on Interior and Insular Affairs to replace the incomplete text printed at page 38ff. of House Report 99-525, Part I:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 8, 1986.

Hon. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Longworth House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 1116, the Garrison Diversion Reformulation Act of 1986.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

RUDOLPH G. PENNER.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: H.R. 1116.
2. Bill title: Garrison Diversion Reformulation Act of 1986.
3. Bill status: As ordered reported by the House Committee on Interior and Insular Affairs, March 19, 1986.

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4. Bill purposes: H.R. 1116 would modify the Garrison Diversion Unit project in accordance with certain recommendations contained in the Final Report of the Garrison Diversion Unit Commission.

The bill would reduce the area to be irrigated from 250,000 acres to 130,000 acres and would deauthorize all features of the original project, except Lonetree Reservoir, for which no funds have been appropriated and which are not recommended for construction in the commission report. Construction of nine irrigation features plus the development of an additional 28,000 acres on non-Indian lands and three irrigation features on Indian lands would be authorized.

The bill would make non-reimburseable the costs of facilities that are already built but which would, under the terms of this bill, not be used to full capacity. Construction of the James River irrigation features would be prohibited until at least fiscal year 1991 and only after the Department of the Interior completes a water development study and signs new repayment contracts. Construction of New Rockford Canal and certain test areas would be allowed to proceed prior to meeting these conditions.

The bill would authorize the construction of a municipal and industrial water supply system to serve North Dakota communities and irrigation and water supply facilities on certain Indian lands in North Dakota.

H.R. 1116 would authorize the appropriation of $100 million of non-Indian irrigation, $67.91 million of Indian irrigation, $170.395 million for irrigation water supply, $200 million for municipal and industrial water supply and $141.535 million for other specified purposes.

The bill would also: impose a surcharge on water used to irrigate surplus crops; establish a Wetlands Trust to preserve wildlife habitat in North Dakota; adopt certain commission recommendations regarding fish and wildlife mitigation; preserve certain water rights of the State of North Dakota, and require that any future irrigation investments in the Garrison project that would be recovered through federal hydropower revenues be repaid to the Treasury in equal annual installments within 40 years after the in-service date.

5. Estimated cost to the Federal Government: H.R. 1116 would deauthorize certain features of the original Garrison project. Assuming that these features would otherwise have been funded and built, which is very uncertain, it is estimated that this bill would result in a savings to the federal government totaling $2.6 billion.

Estimated spending in fiscal years 1986–1991 from the appropriations authorized by this bill is shown in the following table. Additional appropriations would be required in future years to complete all the project features authorized by the bill.

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[By fiscal years, in millions of dollars]

	1986	1987	1988	1989	1990	1991
Estimated authorization level	2	71	50	47	47	69
Estimated outlays	2	49	48	50	63	85

In addition, it is estimated that outlays totaling about $380 million would be incurred by the federal government during the fiscal years 1992 through 1996 from appropriations authorized by this bill. The bill would also allow $41.3 million already appropriated in the fiscal year 1986 energy and water appropriations bill to be spent.

The costs of this bill fall within budget functions 300 and 270.

Basis of estimate: For the purpose of this estimate, it was assumed that the funds authorized for the 1986 federal contribution to a Wetlands Trust would be appropriated for fiscal year 1986. All other authorized sums were assumed to be appropriated beginning in fiscal year 1987. It was also assumed that all project features authorized by the bill will be constructed. The total authorizations in the estimate are those specified in the bill. Annual estimated authorization levels and outlays have been estimated based on information from the Bureau of Reclamation.

The provisions making certain irrigation investments nonreimbursable are not expected to affect federal receipts. Although this change could lower hydropower costs by a total of about $53 million, and reduction is expected to be offset by higher revenues from additional sales to non-irrigation customers. Requiring certain future irrigation investments to be repaid in equal installments would not affect federal receipts until after the facilities go into service in the 1990s.

The provisions applying charges for growing excess crops are not expected to result in significant additional receipts, because of the low price of surplus crops compared to the anticipated high charge for full cost compliance. Any such receipts would not occur unit 1992 or later.

6. Estimated cost to State and local governments: Sections 3, 5, and 9 of H.R. 1116 require the State of North Dakota to share in the cost of developing irrigation and water supply facilities and of creating a Wetlands Trust. Based on information from the Bureau of Reclamation, the estimated share of project costs authorized in this bill that will be incurred by the State of North Dakota are shown in the following table:

[By fiscal years in millions of dollars]

	1987	1988	1989	1990	1991
Estimated outlays	5	5	5	5	5

In addition, it is estimated that outlays of approximately $36 million will be incurred by the state over the fiscal years 1992 through 1996.

7. Estimate comparison: None.

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8. Previous CBO estimate: None.
9. Estimate prepared by: Theresa Gullo and Kathy Gramp.
10. Estimate approved by: C.G. Nuckols (for James L. Blum, Assistant Director for Budget Analysis).

ADDITIONAL ERRATA IN COMMITTEE REPORT 99-525, PART 1

Page 9, in the final paragraph of the section entitled "Garrison diversion revisions and congressional reauthorization" change "P.L. 98-108" to "P.L. 88-108".

Page 12, in the paragraph entitled "Court Challenges" change "war" to "are".

Page 17, in the final paragraph of the section entitled "Project authorization" Garrison Diverson should be upper case.

Page 19, in footnote 1 of the table "Tutle" should be "Turtle".

Page 19, in the first sentence of the third paragraph of the section entitled "Supply works sizing", the reference to "M&I water supply" should be "MR&I water supply".

Page 24, in the first full paragraph, "protection" is misspelled.

Page 25, in the first sentence of the first paragraph of the section entitled "Indian irrigation" the reference to Reservation should be plural.

Page 36, in the penultimate paragraph of the section preceding the section entitled "Trust established", the words "State basis." should be deleted.

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